



City of Fresno
Deferred Compensation Plan

Start investing in yourself today, with help from the
Deferred Compensation Plan.



Your Guide to Getting Started



Invest some of what you earn today for what you plan to accomplish tomorrow.

June 6, 2008

The Deferred Compensation Plan is voluntary and is in addition to the City's Defined Benefit Retirement Plans

By participating in the Deferred Compensation Plan you benefit from:

Convenience. Your contributions are automatically deducted regularly from your paycheck.

Tax savings now. Your pretax contributions are deducted from your pay before income taxes are taken out. This means that you may actually lower the amount of current income taxes withheld each period. It could mean more money in your take-home pay versus saving money in a taxable account.

Tax-deferred savings opportunities. You pay no taxes on any earnings until you withdraw them from your account, enabling you to keep more of your money working for you now.

Catch-up contributions. If you make the maximum contribution to your plan account, and you are 50 years of age or older during the calendar year, you can make an additional "catch-up" contribution of \$5,000 in 2008. In addition, during one or more of the last 3 years before normal retirement age, you may be limited to using the greater of the 457 "last-3-years" catch-up.

Investment options. You have the flexibility to select from investment options that range from more conservative to more aggressive, making it easy for you to develop a well-diversified investment portfolio.

Portability. You can roll over eligible savings from a previous employer into this Plan. You can also take your plan vested account balance with you if you leave employment with the City of Fresno.

To learn more about what your plan offers, see "Frequently asked questions about your plan" later in this guide.



Enroll in your plan and invest in yourself today.



Count on us to support you every step of the way.

Investing in yourself is easy with the Deferred Compensation Plan. We'll show you how to get started, step by step.

Step **1**

Decide how much to invest.

Step **2**

Determine investments that are right for you.

Step **3**

Enroll today.

First: Let's see why it's important to start today. ▶

When you're ready to enroll: Call the retirement Office and ask for a Participation Agreement.

Get started today.

Here are \$19,040 potential reasons to start saving in your plan right away.

Starting now can have an impact on your account.

Your decision to start today could give you quite a bit more at retirement than starting five years from now.

Potential growth if you contribute \$100 of your paycheck monthly		
	Potential account value in 10 years (2018)	Potential account value in 20 years (2028)
Start today	\$16,580	\$49,195*
Wait five years to start	\$6,901	\$30,155
	\$9,679 difference	\$19,040 difference

*** Increase your contribution to \$200 a month, and your potential account value could be even more—\$33,159 in 10 years and \$98,389 in 20 years.**

This hypothetical illustration is based on the following assumptions: Hypothetical participant will remain employed and contribute at the indicated rates throughout the periods shown. The indicated contribution amount remains constant throughout the periods shown. The account increases at the hypothetical annual rate of return of 7% compounded annually. Neither withdrawals nor loans are taken. All earnings are reinvested. Plan limits that are currently in effect may prevent a participant from contributing the full amount illustrated. IRS limits on compensation and pretax contributions apply. For highly compensated employees, additional limits may apply. All calculations assume contributions made the last day of the year and annual compounding. Hypothetical participant is assumed 100% vested in the Plan.

Step 1 Decide how much to invest.

More than any other factor, the amount you put away will help determine how much your savings may grow. How much should you invest? Here are some suggestions for setting your contribution amount:

- **Try for 10%.** Fidelity considers 10% per paycheck a very good start. That amount can take you a long way toward reaching your financial goals.
- **Do what you can afford—you can change your contribution amount later if needed.** Start at a number that feels comfortable to you. The important thing is to invest what you can afford and start right away.

Invest more in your plan, pay less in taxes.

Your pretax contributions come out of your pay before income taxes are taken out. You can actually lower your current taxes by investing in the Plan today. Take a look at the chart to see how it works.

Take-home pretax pay calculations

If your pay-period contribution is:	Your take-home pay will be reduced by only:
\$100	\$72
\$200	\$144

Estimated annual after-tax cost assumes a single taxpayer in the 28% federal tax bracket and no state taxes incurred. Your actual tax savings may be more or less than the estimate shown depending on your taxable federal and state income, exemptions, and filing status. Scheduled reductions in federal tax rates and changes to state tax rates may reduce current tax savings in future years.

► Find out more

The **Fidelity Take-Home Pay Calculator** shows how affordable it can be to invest in your plan, thanks to pretax contributions. You'll find it in the *Tools & Learning* section at www.fidelity.com/atwork.

Step 2 Determine investments that are right for you.

What kind of investor are you? The answer to this question will determine which plan investments may be right for you. Your employer offers a range of investments so you can build your portfolio your way.

Option A:

Are you a hands-off investor?

- Are you uncertain about how to build your retirement portfolio?
- Are you unable to spend as much time as you'd like managing your investments?
- Would you prefer an easier, less involved approach to investing?

If you answered yes to any of these questions, you may want to consider the following:

Fidelity Freedom Funds.® Fidelity Freedom Funds® offer a single-fund approach to investing in your workplace savings plan. With Freedom Funds, your decision couldn't be simpler. All you need to know is your current age, and the fund

will do the rest. We'll provide professional portfolio management and an age-based mix of stocks, bonds, and short-term investments. For details, see "Investment Options" or go to www.fidelity.com/atwork.

► If you're ready to enroll, go to Step 3.

Option B:**Are you a hands-on investor?**

- Do you want to make your own investment decisions?
- Do you have the time to actively manage your investments?
- Are you comfortable building your own portfolio?

If you answered yes to any of these questions, the following steps will help you build your portfolio.

First, start by finding your approach.

Are you a conservative investor? An aggressive investor? Somewhere in between? The answer is a function of three things. The first is the length of time you have to invest—in this case, the number of years until you expect to retire. The second is your comfort with risk. The third is your financial situation.

If your time horizon is long, your risk tolerance is high, and your financial situation stable, you may be an aggressive investor. On the other hand, if you'll need your money soon, are uncomfortable with risk, and your financial situation is somewhat uncertain, you may need a more conservative approach. Many investors may be somewhere in between, taking a growth or balanced approach.

To determine your possible investment approach, consider these factors:

- *The age you want to retire*
- *Your comfort level with the stock market's ups and downs*
- *Whether you prefer stability or the potential for bigger returns, which entails greater risk*
- *Your short- and long-term financial needs*

Here are the approaches two others have taken.*

This is Larry.**Age: 40**

He has about 25 years until he retires.

He can tolerate significant up-and-down movement in the market.

He has a preference for growth and doesn't mind substantial movement in his portfolio's value.

His financial situation is secure.

Based on these factors, Larry considers himself a fairly aggressive investor.**This is Nancy.****Age: 45**

She has about 20 years until she retires.

She can tolerate some up-and-down movement in the market.

She is looking for some opportunity for growth and can tolerate some up-and-down movement in her portfolio's value.

Her financial situation is somewhat secure.

Based on these factors, Nancy considers herself a fairly conservative investor.

* Hypothetical, for illustrative purposes only.

Next, learn about the different kinds of investments.

There are three basic investment types—short-term investments, bonds, and stocks. And they, like investors, fall along a range from conservative to aggressive.

Short-term investments are the most conservative. Also known as "cash" investments, this investment type involves the least amount of risk, but also provides the lowest potential returns.

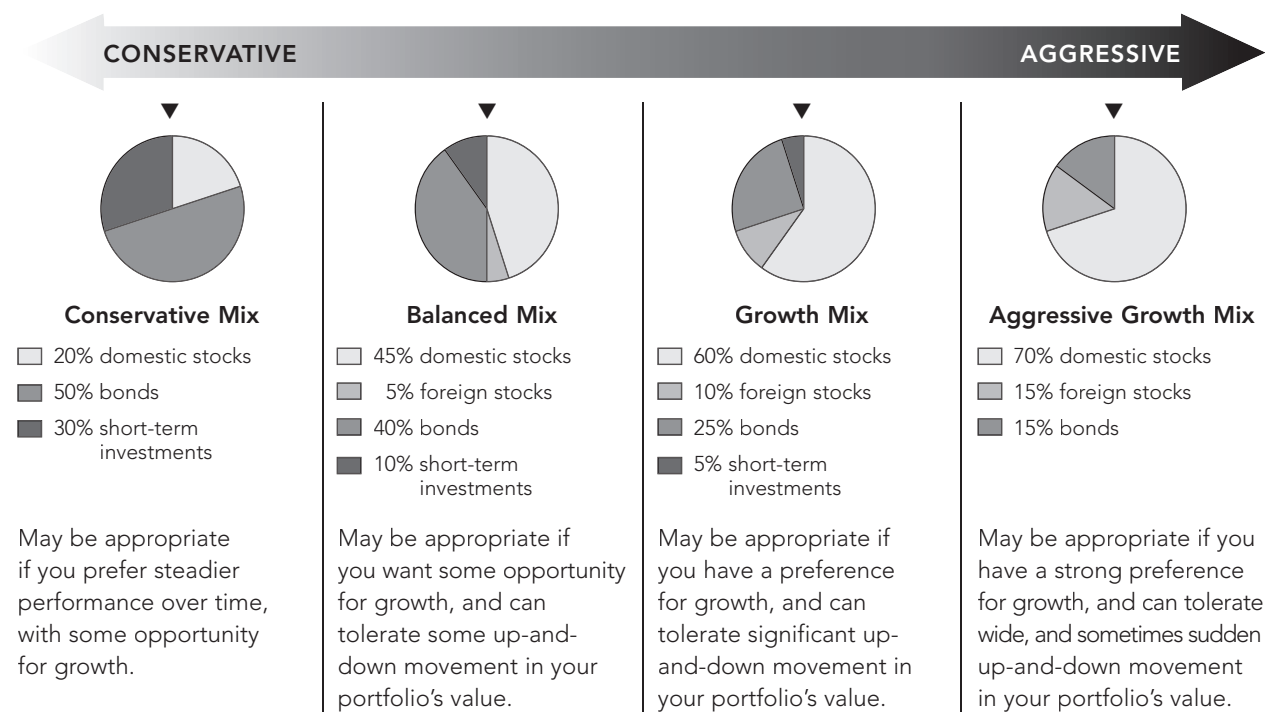
Bonds are in the middle. Generally less risky than stocks, this investment type typically offers moderate returns and risk compared with stocks.

Stocks are the most aggressive. Although past investment results do not guarantee future results, this investment type has historically provided the highest long-term returns and the greatest risk. Stock investments include large (large cap), medium-size (mid-cap), and small (small cap) U.S. companies, as well as foreign companies. However, each of these types of stock investments has its own level of risks—for example, small cap tends to be more risky than large cap.

Then, select the right mix of investment types for your situation.

Once you know how conservative or aggressive your approach is as an investor, and you understand the difference between investment types, you can figure out what mix of investment types matches your approach.

This chart shows how four hypothetical investment mixes align with different approaches to investing, from relatively conservative to relatively aggressive.



The purpose of the sample investment mixes is to show how mixes may be created with different risk and return characteristics to help meet a participant's goal. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider any investments you have outside the Plan when making your investment choices.

The investment options offered through the plan were chosen by the plan sponsor. The sample target mixes illustrate some of the many combinations that could be created and should not be considered investment advice.

The mixes were developed by Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company, based on the needs of a typical retirement plan participant.

Finally, pick your investment options.

Your employer offers many investment options across the three investment types. For descriptions, turn to the "Investment Options" section of this guide. You can also go to www.fidelity.com/atwork to get up-to-date performance information, other investment specifics and educational material.

When you're ready for more investment flexibility.

Most employees find that the standard investment options listed in this guide are fine for their needs. But if you're a more sophisticated investor, Fidelity BrokerageLink® may be right for you. BrokerageLink combines the convenience of your workplace retirement plan with the additional flexibility of a brokerage account. It gives you expanded investment choices requiring that you more actively manage your retirement contributions. To find out more about Fidelity BrokerageLink, go to the "Investment Options" section of this guide or visit www.fidelity.com/atwork.

Nancy and Larry revisited: a look at their investment mixes.*

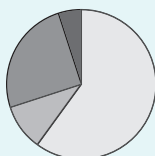
This is Larry.

Age: 40

As a fairly aggressive investor, Larry selected a growth mix of investments.



- 60% domestic stocks
- 10% foreign stocks
- 25% bonds
- 5% short-term investments



Growth Mix

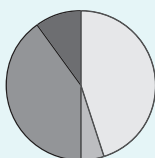
This is Nancy.

Age: 45

As a fairly conservative investor, Nancy chose a balanced mix of investments.



- 45% domestic stocks
- 5% foreign stocks
- 40% bonds
- 10% short-term investments



Balanced Mix

* Hypothetical, for illustrative purposes only.

► For help finding your investment mix:

e-Learning: Online Fidelity e-Learning® workshops can teach you the fundamentals of saving for retirement, including *Evaluating Investment Options*. You'll find it in the Tools & Learning section at www.fidelity.com/atwork. Or call the Fidelity Retirement Benefits line at 1-800-343-0860.

Step 3 Enroll today.

It's easy to join your plan and make that next great investment in yourself. Here's how:

- **First**, contact your retirement office for a copy of the Deferred Compensation Participation Agreement. Completion of this Agreement is required before you can proceed to the next step.
- **Next**, go to Fidelity NetBenefits® at www.fidelity.com/atwork or call the Fidelity Retirement Services line at 1-800-343-0860, 5:30 a.m. to 9:00 p.m., PT, Mon-Fri.
- **Then**, set up your personal identification number (PIN). If you're already a Fidelity customer, you can use your existing PIN.
- **Finally**, click on the link to the Deferred Compensation Plan in the center of the NetBenefits® homepage and click on the "Begin Enrolling" to set up your investment elections. Or you can set up your investment elections by following the instructions on the automated voice response system.

See the following pages for important plan details, including FAQs and descriptions of your investment options.

▶ Remember, we're here to help.

If you need any help along the way, visit Fidelity NetBenefits® at www.fidelity.com/atwork or call the Fidelity Retirement Benefits line at 1-800-343-0860.

Frequently asked questions about your plan.

Here are answers to questions you may have about the key features, benefits, and rules of your plan.

When can I enroll in the Plan?

There is no waiting period. You can enroll in the Plan at any time.

How do I enroll in the Plan?

Call the Retirement Office and ask for a Participation Agreement to sign up for the Deferred Compensation Plan. This agreement will give the City's Payroll Division permission to give Fidelity your payroll information, i.e., social security number and address. Complete the Participation Agreement and return it to the Retirement Office for processing. Please allow approximately two (2) pay periods to get you on the City's database to Fidelity.

After you complete the Deferred Compensation Agreement, log on to Fidelity NetBenefits® at www.fidelity.com/atwork or call 1-800-343-0860 to speak with a Retirement Services Representative.

For illustrative purposes only.

When is my enrollment effective?

Your enrollment becomes effective once you elect a deferral amount, which initiates deduction of your contributions from your pay. These salary deductions will generally begin with your next pay period after we receive your enrollment information, or as soon as administratively possible.

How much can I contribute?

Through automatic payroll deduction, you can contribute between \$10 and \$15,500 of your eligible pay on a pretax basis, up to the annual IRS dollar limits. Employees determined to be highly compensated may have additional limitations.

What are the IRS contribution limits?

If you are under age 50 the IRS contribution limit is \$15,500 for 2008. If you will be at least age 50 during the year, your plan may allow you to defer an additional \$5,000 as catch-up contributions.

What are my investment options?

To help you meet your investment goals, the Plan offers you a range of options. You can select a mix of investment options that best suits your goals, time horizon, and risk tolerance. The many investment options available through the Plan include conservative, moderately conservative, and aggressive funds. A complete description of the Plan's investment options and their performance, as well as planning tools to help you choose an appropriate mix, are available online at Fidelity NetBenefits®.

The Plan also offers the Fidelity Freedom Funds® that offer a blend of stocks, bonds and short-term investments within a single fund. Each Freedom Fund's asset allocation is based on the number of years until the fund's target retirement date. The Freedom Funds are designed for investors who want a simple approach to investing for retirement.

For those desiring the most investment flexibility and choice, the Plan offers a self-directed brokerage option, which gives you access to individual stocks and bonds as well as many other mutual funds. A complete description of the Plan's investment options and their

performance, as well as planning tools to help you choose an appropriate mix, are available online at Fidelity NetBenefits®.

What "catch-up" contribution can I make?

If you have reached age 50 or will reach 50 during the calendar year January 1 - December 31 and are making the maximum plan or IRS pretax contribution, you may make an additional "catch-up" contribution each pay period. The maximum annual catch-up contribution is \$5,000. Going forward, catch-up contribution limits will be subject to cost of living adjustments (COLAs) in \$500 increments. You make catch-up contributions through payroll deduction, the same way you make regular contributions.

What happens if I do not select an investment mix?

If you forget to select a fund or funds, your contributions will be invested automatically in the Plan's default fund, a Fidelity Freedom Fund which has a target retirement date closest to the year you might retire, based on your date of birth and assuming a retirement age of 65, as directed by the City of Fresno. A default fund is the fund the Plan has told Fidelity to direct investments to if a participant has not actively selected a fund or funds. Please see page 12 for more information.

When am I vested?

You are always 100% vested in your own contributions to the Deferred Compensation Plan.

Can I take a loan from my account?

Although your plan account is intended for the future, you may borrow from your account for any reason. Generally, the City's Deferred Compensation Plan allows you to borrow up to 50% of your vested account balance. The maximum number of loans you may have outstanding at any one time is one (1). The minimum loan amount is \$1,000, and a loan must not exceed \$50,000. You then pay the money back into your account, plus interest, through after-tax payroll deductions. Any outstanding loan balances over the previous 12 months may reduce the amount you have available to borrow. The cost to initiate a loan is \$35, and there is a quarterly maintenance fee of \$3.75. The initiation and maintenance fees will be deducted directly from your individual plan

account. If you fail to repay your loan (based on the original terms of the loan), it will be considered in "default" and treated as a distribution, making it subject to income tax and possibly to a 10% early withdrawal penalty. Defaulted loans may also impact your eligibility to request additional loans. Be sure you understand the Plan guidelines before you initiate a loan from your plan account.

To learn more about or request a loan, log on to www.fidelity.com/atwork or call the Fidelity Retirement Benefits line at 1-800-343-0860.

Can I make withdrawals from my account?

Withdrawals from the Plan are generally permitted when you terminate your employment, retire, or have severe financial hardship as defined by your Plan. Keep in mind that withdrawals are subject to income taxes and possibly to early withdrawal penalties.

This account should not be used to deposit money needed for family emergency funds. The funds are meant for retirement and are very difficult to access while you are still employed.

Can I move money from another retirement plan into my account in the Deferred Compensation Plan?

You are permitted to roll over eligible pretax contributions from another 401(k) plan, 401(a) plan, 403(b) plan or a governmental 457(b) retirement plan account or eligible pretax contributions from conduit individual retirement accounts (IRAs). A conduit IRA is one that contains only money rolled over from an employer-sponsored retirement plan that has not been mixed with regular IRA contributions. Call the Fidelity Retirement Benefits line at 1-800-343-0860 or log on to Fidelity NetBenefits® at www.fidelity.com/atwork for details. You should consult your tax adviser and carefully consider the impact of making a rollover contribution to your employer's plan because it could affect your eligibility for future special tax treatments.

How do I access my account?

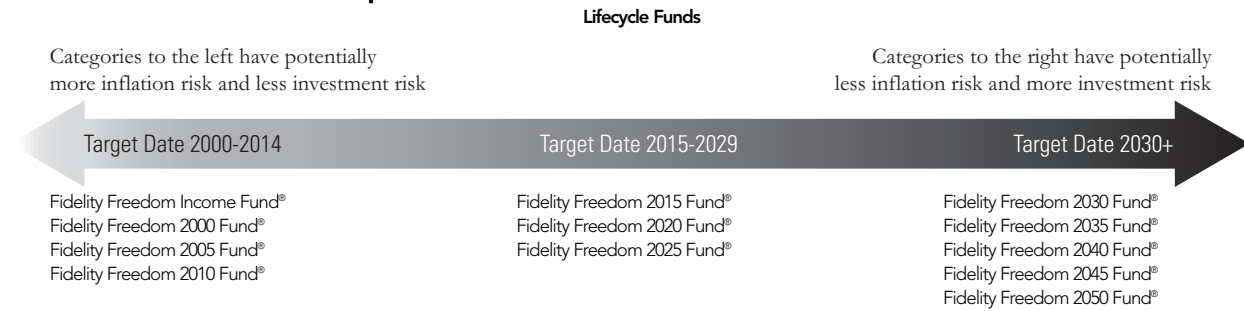
You can access your account online through Fidelity NetBenefits® at www.fidelity.com/atwork or call the Fidelity Retirement Benefits line at 1-800-343-0860 to speak with a representative or use the automated voice response system, virtually 24 hours, 7 days a week.

How do I obtain additional investment option

and account information?

Your Employer has appointed Fidelity to provide additional information on the investment options available through the Plan. Also, a statement of your account may be requested by phone at 1-800-343-0860 or reviewed online at Fidelity NetBenefits®.

Investment Options




The lifecycle investment options are represented on a separate spectrum because each investment option (except the income fund, if applicable) will gradually adjust its asset allocation to be more conservative as the investment option approaches and move beyond its target retirement dates. Generally, those investment options with later target retirement dates have greater equity exposure and more risk than those with earlier target retirement dates.

The chart below illustrates the plan-assigned fund the Deferred Compensation Plan believes will best fit your diversification needs should you not select an investment option.

If your birth date is between*	Fund Name	Target Retirement Years
January 1, 1900 - December 31, 1932	Fidelity Freedom Income Fund®	Retired before 1997
January 1, 1933 - December 31, 1937	Fidelity Freedom 2000 Fund®	Target Years 1998 - 2002
January 1, 1938 - December 31, 1942	Fidelity Freedom 2005 Fund®	Target Years 2003 - 2007
January 1, 1943 - December 31, 1947	Fidelity Freedom 2010 Fund®	Target Years 2008 - 2012
January 1, 1948 - December 31, 1952	Fidelity Freedom 2015 Fund®	Target Years 2013 - 2017
January 1, 1953 - December 31, 1957	Fidelity Freedom 2020 Fund®	Target Years 2018 - 2022
January 1, 1958 - December 31, 1962	Fidelity Freedom 2025 Fund®	Target Years 2023 - 2027
January 1, 1963 - December 31, 1967	Fidelity Freedom 2030 Fund®	Target Years 2028 - 2032
January 1, 1968 - December 31, 1972	Fidelity Freedom 2035 Fund®	Target Years 2033 - 2037
January 1, 1973 - December 31, 1977	Fidelity Freedom 2040 Fund®	Target Years 2038 - 2042
January 1, 1978 - December 31, 1982	Fidelity Freedom 2045 Fund®	Target Years 2043 - 2047
January 1, 1983 - December 31, 1987	Fidelity Freedom 2050 Fund®	Target Years 2048 - 2052

* Dates selected by plan sponsor.

						
Categories to the left have potentially more inflation risk and less investment risk			Categories to the right have potentially less inflation risk and more investment risk			
BONDS		STOCKS AND BONDS		STOCKS		
Managed Income	Bond	Balanced/Hybrid		Domestic Equities		International/Global Equity
SEI Stable Asset Fund	Fidelity U.S. Bond Index Fund	Fidelity <i>Puritan</i> ® Fund	Large Value	Large Blend	Large Growth	Fidelity Diversified International Fund
	PIMCO Total Return Fund Administrative Class		American Beacon Large Cap Value Fund SM PlanAhead Class	Davis New York Venture Fund, Inc. Class A	Fidelity <i>Contrafund</i> ®	Janus Worldwide Fund
	High Yield		Fidelity Equity-Income Fund	Fidelity Growth & Income Portfolio	Fidelity <i>Magellan</i> ® Fund	Mutual Discovery Fund Class A
	Fidelity Capital & Income Fund		Mid Value	Spartan® Total Market Index Fund Investor Class	Fidelity Growth Company Fund	Spartan® International Index Fund Investor Class
			Fidelity Value Fund	Spartan® U.S. Equity Index Fund Investor Class	Mid Growth	Templeton Growth Fund, Inc. Class A
			Small Value		Artisan Mid Cap Fund Investor Class	
			American Beacon Small Cap Value Fund PlanAhead Class	Mid Blend	Fidelity Aggressive Growth Fund	
				Fidelity Low-Priced Stock Fund	Fidelity Mid-Cap Stock Fund	
				Spartan® Extended Market Index Fund Investor Class	Small Growth	
					Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class P Shares	

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories of the investment options and not on the actual security holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of 05/31/2008. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decision. The spectrum does not represent actual or implied performance.

BrokerageLink

Fidelity BrokerageLink® combines the convenience of your workplace retirement plan with the additional flexibility of a brokerage account. It gives you expanded investment choices and the opportunity to more actively manage your retirement contributions. A self-directed brokerage account is not for everyone. If you are a sophisticated investor who is willing to take on additional risk and you are prepared to assume the responsibility of more closely monitoring this portion of your portfolio, it could be appropriate for you. However, if you do not feel comfortable actively managing a portfolio beyond those offered through your plan's standard investment options, then a self-directed brokerage account may not be appropriate for you. Additional fees apply to a brokerage account; please refer to the fact sheet and commission schedule for a complete listing of brokerage fees. Remember, it is always your responsibility to ensure that the options you select are consistent with your particular situation, including your goals, time horizon, and risk tolerance.

Brokerage service provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC.

Investment Options

Lifecycle Funds

LIFECYCLE FUNDS

Fidelity Freedom Income Fund®

Fidelity Freedom 2000 Fund®

Fidelity Freedom 2005 Fund®

Fidelity Freedom 2010 Fund®

Fidelity Freedom 2015 Fund®

Fidelity Freedom 2020 Fund®

Fidelity Freedom 2025 Fund®

Fidelity Freedom 2030 Fund®

Fidelity Freedom 2035 Fund®

Fidelity Freedom 2040 Fund®

Fidelity Freedom 2045 Fund®

Fidelity Freedom 2050 Fund®

What they are: The Fidelity Freedom Funds are investment options that allow the investor to select the fund that best matches his or her expected retirement year. The Fidelity Freedom Funds invest in a diversified portfolio of other Fidelity mutual funds to provide moderate asset allocation. They are designed for investors who want a simple yet diversified approach to investing for their retirement. The allocation strategy for the underlying equity, fixed-income, and short-term mutual funds is based on the number of years until the Freedom funds reach their target retirement dates. Each Freedom fund with a target retirement date will gradually adopt a more conservative asset allocation as it approaches its target retirement date. Therefore, each fund's target asset allocation percentages will change over time to become more conservative, by gradually reducing allocations to equity funds and increasing allocations to fixed-income and short-term funds. The Fidelity Freedom Income Fund®, designed for those already in retirement, emphasizes fixed-income and short-term mutual funds and seeks to maintain a stable asset allocation from year to year.

Goal: The Fidelity Freedom Funds with target retirement dates seek to provide high total returns until the target retirement date. Thereafter, each fund's goal will be to seek high current income and, as a secondary objective, capital appreciation. The Freedom Income Fund seeks high current income and, secondarily, capital appreciation.

What they invest in: Each Freedom fund invests in a diversified portfolio of Fidelity equity, fixed-income, and short-term mutual funds. Fidelity Freedom 2050 Fund®, with the longest time horizon, invests primarily in equity mutual funds to take advantage of potentially greater growth opportunities. The asset mix of each Freedom fund with a target retirement date (Fidelity Freedom Income Fund®, Fidelity Freedom 2000 Fund®, Fidelity Freedom 2005 Fund®, Fidelity Freedom 2010 Fund®, Fidelity Freedom 2015 Fund®, Fidelity Freedom 2020 Fund®, Fidelity Freedom 2025 Fund®, Fidelity Freedom 2030 Fund®, Fidelity Freedom 2035 Fund®, Fidelity Freedom 2040 Fund®, Fidelity Freedom 2045 Fund®, Fidelity Freedom 2050 Fund®) will gradually become more conservative over time so investors can stay with the same fund before and during retirement. After reaching the target retirement date, these Freedom funds continue to be managed more conservatively for 10 to 15 more years until their asset mix is approximately the same as Freedom Income Fund. Ultimately, after notifying the funds' investors, the funds will merge into the Freedom Income Fund. The Freedom Income Fund, designed for those already retired, is invested more conservatively, with a larger percentage in fixed-income and short-term funds and has a smaller percentage of equity mutual funds. The funds' manager must invest in the group of underlying funds named in the prospectus, and will aim for the projected target asset allocation percentages announced to investors in the funds' annual and semiannual reports. Freedom funds with target retirement dates may invest in domestic and foreign equity funds, high yield and investment grade fixed-income funds, and short-term funds. The Freedom Income Fund invests in domestic equity funds, investment grade fixed-income funds, high yield bond funds and short-term funds. These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Share price and return of each Freedom fund will vary.

Who might want to invest:

- Someone who wants a simple approach for choosing retirement investment options.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wishes to take advantage of a diversified portfolio of well-established, actively-managed Fidelity funds.

Fidelity Freedom Income Fund®**Fund code:** 00369**What it is:** An asset allocation mutual fund.**Goal:** Seeks to provide high current income and, as a secondary objective, some capital appreciation for those already in retirement.**What it invests in:** Primarily invests approximately 35% in investment grade fixed income funds, 5% in high yield fixed income funds, 40% in short-term mutual funds and 20% in domestic equity funds. Share price and return will vary.**Who might want to invest:**

- Someone who is already in retirement.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2000 Fund®**Fund code:** 00370**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 24% in domestic equity funds, 32% in investment grade fixed income funds, 5% in high yield fixed-income funds and 39% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.**Who might want to invest:**

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2005 Fund®**Fund code:** 01312**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 39% in domestic equity funds, 9% in international equity funds, 34% in investment grade fixed income funds, 5% in high yield fixed income funds and 13% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

Who might want to invest:

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and money market short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2010 Fund®

Fund code: 00371

What it is: An asset allocation mutual fund.

Goal: Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

What it invests in: Primarily invests approximately 40% in domestic equity funds, 10% in international equity funds, 35% in investment grade fixed income funds, 5% in high yield fixed income funds and 10% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

Who might want to invest:

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2015 Fund®

Fund code: 01313

What it is: An asset allocation mutual fund.

Goal: Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

What it invests in: Primarily invests approximately 44% in domestic equity funds, 11% in international equity funds, 33% in investment grade fixed income funds, 6% in high yield fixed income funds, and 7% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

Who might want to invest:

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2020 Fund®**Fund code:** 00372**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 54% in domestic equity funds, 13% in international equity funds, 25% in investment grade fixed income funds, 7% in high yield fixed income funds, and 1% in Fidelity short-term mutual funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.**Who might want to invest:**

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2025 Fund®**Fund code:** 01314**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 56% in domestic equity funds, 14% in international equity funds, 22% in investment grade fixed income funds, and 8% in high yield fixed income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.**Who might want to invest:**

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of fixed-income and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2030 Fund®**Fund code:** 00373**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 65% in domestic equity funds, 16% in international equity funds, 11% in investment grade fixed income funds and 8% in high yield fixed income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

Who might want to invest:

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2035 Fund®

Fund code: 01315

What it is: An asset allocation mutual fund.

Goal: Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

What it invests in: Primarily invests approximately 66% in domestic equity funds, 17% in international equity funds, 10% in investment grade fixed income funds and 8% in high yield fixed income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

Who might want to invest:

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2040 Fund®

Fund code: 00718

What it is: An asset allocation mutual fund.

Goal: Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.

What it invests in: Primarily invests approximately 68% in domestic equity funds, 17% in international equity funds, 5% in investment grade fixed income funds and 10% in high yield fixed income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.

Who might want to invest:

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2045 Fund®**Fund code:** 01617**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 68% in domestic equity funds, 17% in international equity funds, 4% in investment grade fixed income funds and 10% in high yield fixed income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.**Who might want to invest:**

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom 2050 Fund®**Fund code:** 01618**What it is:** An asset allocation mutual fund.**Goal:** Seeks high total return until its target retirement date. Thereafter, the fund's objective will be to seek high current income and, as a secondary objective, capital appreciation.**What it invests in:** Primarily invests approximately 70% in domestic equity funds, 20% in international equity funds and 10% in high yield fixed income funds. The mix of underlying Fidelity mutual funds will gradually become more conservative over time. Share price and return will vary.**Who might want to invest:**

- Someone who feels comfortable with the risk of stock mutual funds when further from retirement and a greater concentration of bond and short-term mutual funds when closer to or in retirement.
- Someone who wishes to take advantage of a diversified portfolio of actively managed Fidelity funds.
- Someone who wants a long-term investment strategy that changes over time as his or her target retirement date approaches.
- Someone who wants a simple approach for choosing retirement investment options.

Fidelity Freedom Funds® are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risk associated with investing in high yield, small cap, and foreign securities. Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom Funds®. The percentages represent anticipated target asset allocation at March 31, 2008. Total allocations may sometimes be over or under 100% due to rounding.

MANAGED INCOME

SEI Stable Asset Fund**Fund code:** 49467**What it is:** A collective investment trust (not a mutual fund).**Goal:** Seeks preservation of principal and to earn current income while tracking interest rates over the intermediate term.

What it invests in: The Fund invests in a diversified portfolio of stable value contracts, including wrap contracts issued by insurance companies, banks, and other financial institutions. Wrap contracts are utilized to provide principal and relative return stability with respect to the fund's investments in high-quality diversified bond portfolios. Each wrap contract is structured (1) for protection of principal and accumulated interest, (2) for payment of an interest rate for a specified period of time, and (3) to permit participant-initiated withdrawals and transfers at a stable net asset value. The bond portfolios underlying wrap contracts have an average AAA/Aaa rating, which provides the fund with its high overall credit quality, and are well-diversified, reducing exposure to any single industry. Diversification does not ensure a profit or guarantee against loss. Yield will vary.

Who might want to invest:

- Someone who wants some price stability to balance more aggressive investment choices.
- Someone who is looking for the value of their investment to remain stable.
- Someone who anticipates using a portion of their retirement savings within the next five years.

SEI Trust Company is the Trustee of the Fund, and has hired Dwight Asset Management, which provided the description for this Fund, as Investment Advisor.

BOND

Fidelity U.S. Bond Index Fund

Fund code: 00651

What it is: An income mutual fund.

Goal: Seeks to provide investment results that correspond to the total return of the bonds in the Lehman Brothers Aggregate Bond Index.

What it invests in: Primarily invests at least 80% of its assets in bonds included in the Lehman Brothers Aggregate Bond Index. In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Share price and return will vary.

Who might want to invest:

- Someone who hopes to match the performance of the overall bond market as measured by the Lehman Brothers Aggregate Bond Index.
- Investors who are looking for a higher return than a money market fund, and who are willing to accept the greater investment risk of bonds of companies and government agencies.

The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more.

PIMCO Total Return Fund Administrative Class

Fund code: 99474

What it is: A bond mutual fund.

Goal: Seeks to provide maximum total return, consistent with preservation of capital and prudent investment management.

What it invests in: All types of bonds, including U.S. government, corporate, mortgage and foreign. While the fund maintains an average portfolio duration of three to six years (approximately equal to an average maturity of five to 12 years), investments may also include short- and long-maturity bonds. Duration estimates how much a bond's price fluctuates with changes in comparable interest rates. Other factors can also influence a bond fund's performance and share price. In general, the bond market is volatile; bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Share price, yield, and return will vary.

Who might want to invest:

- Someone who is looking for a basic fixed-income investment, and who is interested in the diversification offered by this approach to bond investing.
- Someone with an aggressive investment portfolio who wants to balance stock market risk with a more stable option.

Managed by Pacific Investment Management Company, which provided the description for this fund.

BOND HIGH YIELD

Fidelity Capital & Income Fund

Fund code: 00038

What it is: An income mutual fund.

Goal: Seeks to provide a combination of income and capital growth.

What it invests in: Primarily invests in equity and debt securities, including defaulted securities, with an emphasis on lower-quality debt securities. The fund invests in companies in troubled or uncertain financial condition. The fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Share price and return will vary.

Who might want to invest:

- Someone who understands the greater investment risk involved in lower-quality securities, and who is willing to take more investment risk than is generally associated with bond funds.
- Someone who plans to invest long term.

BALANCED/HYBRID

Fidelity *Puritan*[®] Fund

Fund code: 00004

What it is: A balanced mutual fund.

Goal: Seeks to provide income and capital growth consistent with reasonable risk.

What it invests in: Primarily invests approximately 60% of its assets in stocks and other equity securities, and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The fund will invest at least 25% of its assets in fixed income senior securities (including debt securities and preferred stocks). The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Who might want to invest:

- Someone who wants to invest in a fund that selects both stocks and bonds.
- Someone who wants the potential of both income and long-term growth, and who is willing to ride out the fluctuation of the stock market for the potential of a higher return.

DOMESTIC EQUITIES

LARGE VALUE

American Beacon Large Cap Value FundSM PlanAhead Class

Fund code: 93159

What it is: A domestic equity mutual fund.

Goal: Seeks to provide long-term capital appreciation and current income.

What it invests in: Primarily invests in equity securities of large market capitalization U.S. companies. These companies generally have market capitalizations similar to the market capitalization of the companies in the Russell 1000[®] Index. These may consist of common and preferred stocks, convertible securities, U.S. dollar-denominated American Depositary Receipts and U.S. dollar-denominated foreign stocks traded on U.S. exchanges. Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. Share price and return will vary.

Who might want to invest:

- Someone who is looking for a combination of growth and income.
- Someone who is willing to ride out stock market ups and downs to try to get potentially higher long-term returns.

Managed by American Beacon Advisors, Inc., which provided the description for this fund, and which carefully selects professional investment advisory firms for this multi-manager Fund. The Manager currently allocates the fund's assets among four investment advisers: Barrow, Hanley, Mewhinney & Strauss, Inc., Brandywine Global Investment Management, LLC, Hotchkis and Wiley Capital Management, LLC, and Metropolitan West Capital Management, LLC. The Russell 1000 Index is an unmanaged market capitalization-weighted index measuring the performance of the 1,000 largest companies in the Russell 3000 Index and is an appropriate index for broad-based large-cap funds.

Fidelity Equity-Income Fund

Fund code: 00023

What it is: A growth and income mutual fund.

Goal: Seeks to provide reasonable income. In pursuing this objective, the fund will also consider the potential for capital appreciation. The fund seeks to provide a yield that exceeds the composite yield of the S&P 500[®] Index.

What it invests in: Primarily invests at least 80% of its assets in income-producing equity securities, which tends to lead to investments in large cap "value" stocks. The fund may potentially invest in other types of equity and debt securities, including lower-quality debt securities. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Who might want to invest:

- Someone who is looking for income from a fund invested in stocks and bonds.
- Someone who wants to invest in the stock market for its long-term growth potential.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

DOMESTIC EQUITIES MID VALUE

Fidelity Value Fund

Fund code: 00039

What it is: A domestic equity mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Primarily invests in common stocks. The fund invests in securities of companies that possess valuable fixed assets or that the manager believes are undervalued in the marketplace in relation to factors such as assets, earnings, or growth potential. Such stocks can continue to be "undervalued" by the market for long periods of time, and might never realize their full value. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Who might want to invest:

- Someone who is investing for the long term, and who is comfortable with the fluctuation of the stock market.

DOMESTIC EQUITIES SMALL VALUE

American Beacon Small Cap Value Fund Plan Ahead Class

Fund code: 47008

What it is: A small cap value mutual fund.

Goal: Seeks to provide long-term capital appreciation and current income.

What it invests in: Primarily invests at least 80% of the total assets of the Fund in equity securities of U.S. companies with market capitalizations of \$3 billion or less at the time of investment. The Fund's investments may include common stocks, preferred stocks, convertible securities, and U.S. dollar-denominated American Depositary Receipts. Investments in smaller companies may involve greater risks than those in larger, more well known companies. Value stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, value stocks can continue to be inexpensive for long periods of time and may not ever realize their full value. Share price and return will vary.

Who might want to invest:

- Someone who wants to focus on small capitalization stocks in search of above average returns.
- Someone who is comfortable with investing for the long term and with the higher investment risk investing in smaller companies generally involves, in exchange for offering greater potential for long-term reward.

American Beacon Advisors, Inc., which provided the description for this fund, acts as the manager and carefully selects professional investment advisory firms for this multi-manager Fund. The Manager currently allocates the fund's assets among eight investment advisers: Barrow, Hanley, Mewhinney & Strauss, Inc., Brandywine Global Investment Management, LLC, The Boston Company Asset Management, LLC, Hotchkis and Wiley Capital Management, LLC, Opus Capital Group, LLC, Dreman Value Management, LLC, Metropolitan West Capital Management, LLC, and SSgA Funds Management, Inc.

DOMESTIC EQUITIES

LARGE BLEND

Davis New York Venture Fund, Inc. Class A

Fund code: 91750

What it is: A value mutual fund.

Goal: Seeks to increase the value of your investment over the long term through capital growth.

What it invests in: Primarily in stocks of large U.S. companies with a market capitalization of at least \$10 billion, with prospects for long-term sustainable growth. The fund may also invest in smaller cap companies, and in foreign securities, which involve greater risk. Investments in smaller companies may involve greater risks than those in larger, more well known companies. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Share price and return will vary.

Who might want to invest:

- Someone who is willing to ride out stock market ups and downs while seeking long-term growth potential.
- Someone who is looking for growth of capital and will be invested for the long term.

Managed by Davis Selected Advisers, LP and sub-advised by Davis Selected Advisers - NY, Inc., which provided the description for this fund.

Fidelity Growth & Income Portfolio

Fund code: 00027

What it is: A growth and income mutual fund.

Goal: Seeks to provide high total return through a combination of current income and capital appreciation.

What it invests in: Primarily invests a majority of its assets in common stocks, with a focus on those that pay current dividends and show potential for capital appreciation. The fund may potentially invest in bonds, including lower-quality debt securities, as well as in stocks that are not currently paying dividends, but that offer prospects for future income or capital appreciation. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Who might want to invest:

- Someone interested in a combination of income and growth.
- Someone who wants the potential for long-term growth, and who is willing to ride out the fluctuation of the stock market for the potential of a higher return.

Spartan® Total Market Index Fund Investor Class

Fund code: 00397

What it is: An index mutual fund.

Goal: Seeks to provide investment results that correspond to the total returns of a broad range of U.S. stocks.

What it invests in: Normally invests at least 80% of its assets in common stocks included in the Wilshire 5000 Total Market Index, which represents the performance of a broad range of U.S. stocks. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 0.50% of the value of the shares sold. Share price and return will vary.

Who might want to invest:

- Someone who wants to pursue growth of capital through a portfolio of securities that broadly represent a specific market.
- Someone who is willing to ride out stock market fluctuation in pursuit of potentially high long-term returns.

The Wilshire 5000 Total Market Index (Wilshire 5000) is an unmanaged, market-capitalization weighted index of approximately 7,000 U.S. equity securities and includes reinvestment of dividends.

Spartan® U.S. Equity Index Fund Investor Class

Fund code: 00650

What it is: An index mutual fund.

Goal: Seeks to provide investment results that correspond to the total return (i.e., the combination of capital changes and income) performance of common stocks publicly traded in the United States.

What it invests in: Normally invests at least 80% of its assets in common stocks included in the S&P 500® Index, which broadly represents the performance of common stocks publicly traded in the United States. Share price and return will vary.

Who might want to invest:

- Someone who wants to pursue long-term growth through a portfolio of securities that broadly represent the stock market as measured by the S&P 500® Index.
- Someone willing to ride out stock market fluctuations for potentially high long-term return.

The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

DOMESTIC EQUITIES

MID BLEND

Fidelity Low-Priced Stock Fund

Fund code: 00316

What it is: A growth mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Primarily invests at least 80% of its assets in low-priced stocks (those priced at or below \$35 per share), which can lead to investments in small and medium-sized companies. The fund may potentially invest in stocks not considered low priced. Investments in smaller companies may involve greater risk than those of larger, more well known companies. The fund may invest in securities of domestic and foreign issuers. The fund may invest in "growth" or "value" stocks, or both. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.

Who might want to invest:

- Someone who is comfortable taking the increased investment risk that comes with investing in smaller, lesser-known companies, and who can invest over the long term.
- Someone with a conservative portfolio who is interested in investing part of his or her money more aggressively.

Spartan® Extended Market Index Fund Investor Class

Fund code: 00398

What it is: An index mutual fund.

Goal: Seeks to provide investment results that correspond to the total returns of stocks of small to mid-cap U.S. companies.

What it invests in: Normally invests at least 80% of its assets in common stocks included in the Wilshire 4500 Completion Index, which represents the performance of stocks of small to mid-capitalization U.S. companies. Investments in smaller companies may involve more risk than those of larger, more well known companies. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.

Who might want to invest:

- Someone who wants to pursue growth of capital through a portfolio of securities that broadly represent a specific market.
- Someone who is willing to ride out stock market fluctuation in pursuit of potentially high long-term returns.

The Dow Jones Wilshire 4500 Completion Index (Wilshire 4500) is an unmanaged index that represents all U.S. equity issues with readily available prices, excluding components of the S&P 500.

DOMESTIC EQUITIES

LARGE GROWTH

Fidelity Contrafund®

Fund code: 00022

What it is: A growth mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Primarily invests in common stocks. The fund may invest in securities of domestic and foreign issuers whose value the fund's manager believes is not fully recognized by the public. The fund may invest in "growth" or "value" stocks, or both. Share price and return will vary.

Who might want to invest:

- Someone interested in reaping the possible benefits of investing in companies that are currently out of favor with investors but that show potential for improvement.
- Someone who wants the potential for long-term growth, and who is willing to ride out the fluctuation of the stock market for the potential of a higher return.

Fidelity Growth Company Fund**Fund code:** 00025**What it is:** A growth mutual fund.**Goal:** Seeks to provide capital appreciation.**What it invests in:** Primarily invests in common stocks. The fund invests in companies that the manager believes have above-average growth potential. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.**Who might want to invest:**

- Someone who wants the potential for long-term growth, and who is willing to ride out the fluctuation of the stock market for the potential of a higher return.
- Someone who wants to diversify a conservative portfolio by investing a portion of his or her money in a growth fund.

Fidelity Magellan® Fund**Fund code:** 00021**What it is:** A growth mutual fund.**Goal:** Seeks to provide capital appreciation.**What it invests in:** Primarily invests in common stocks. The fund may invest in securities of domestic and foreign issuers. The fund manager is not constrained by any particular investment style. At any given time, the fund manager may tend to buy "growth" stocks or "value" stocks, or a combination of both types. In buying and selling securities for the fund, the manager relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position, and economic and market conditions. Factors considered include growth potential, earnings estimates, and management. Share price and return will vary.**Who might want to invest:**

- Someone who will be invested in the fund over the long term, and who is willing to ride out the fluctuation of the stock market for the potential of higher long-term returns.
- Someone with a conservative portfolio who is interested in investing a portion of money more aggressively.

DOMESTIC EQUITIES

MID GROWTH

Artisan Mid Cap Fund Investor Class**Fund code:** 22185**What it is:** A domestic equity mutual fund.**Goal:** Seeks maximum long-term capital growth.**What it invests in:** Primarily invests in a diversified portfolio of stocks of mid-sized US companies that the investment manager identifies as well positioned for long-term growth, reasonably priced by the market and at an early stage in their profit cycle. Artisan Mid Cap Fund seeks companies that the manager believes hold an established franchise and demonstrate strong growth characteristics. Under normal market conditions, the fund invests at least 80% of its net assets in the common stocks of medium-sized companies and the fund defines a medium-sized company as one with a market capitalization larger than the smallest company in the Russell Midcap® Index and no higher than three times the weighted average market capitalization of companies in the index. The fund generally maintains median and weighted average market capitalizations of less than \$10 billion. Investments in mid-sized companies may involve greater risks than those in larger, better known companies, but may be less volatile than investments in smaller companies. Share price and return will vary.**Who might want to invest:**

- Someone who wants the diversification and higher potential returns that may be achievable through investing in growth stocks with mid-sized market capitalizations.
- Someone whose money will be invested over the long term and who is comfortable with the fluctuations of investing in growth stocks.

Managed by Artisan Partners Limited Partnership, which provided the description for this fund. The Russell Midcap Index is an unmanaged market capitalization-weighted index of 800 medium-capitalization stocks. The stocks are also members of the Russell 1000 Index.

Fidelity Aggressive Growth Fund**Fund code:** 00324**What it is:** A growth mutual fund.**Goal:** Seeks to provide capital appreciation.**What it invests in:** Primarily invests in common stocks. The fund invests in companies that the manager believes offer the potential for accelerated earnings or revenue growth. The fund focuses on investments in medium-sized companies, but may also invest substantially in larger or smaller companies. Investments in mid-sized companies may involve greater risk than those in larger, more well known companies, but may be less volatile than investments in smaller companies. The fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 1.5% of the value of the shares sold. Share price and return will vary.**Who might want to invest:**

- Someone who wants to diversify stock and bond holdings with an aggressive stock fund.
- Someone who can tolerate above-average share price volatility and has time to invest over the long term.
- Someone willing to accept that the value of securities of mid-sized and small companies can be more volatile than that of larger issuers.

Fidelity Mid-Cap Stock Fund**Fund code:** 00337**What it is:** A growth mutual fund.**Goal:** Seeks to provide long-term growth of capital.**What it invests in:** Primarily invests at least 80% of its assets in common stocks of companies with medium market capitalizations (those with market capitalizations similar to companies in the Russell Midcap® Index or the S&P MidCap 400 Index). The fund may potentially invest in companies with smaller or larger market capitalizations. Investments in mid-sized companies may involve greater risk than those of larger, more well known companies, but may be less volatile than investments in smaller companies. The fund may invest in securities of domestic and foreign issuers. If you sell any of your shares after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 0.75% of the value of the shares sold. Share price and return will vary.**Who might want to invest:**

- Someone whose money will be invested over the long term, and who is comfortable with the fluctuation of investing in the stock market.
- Someone who wants to focus on medium-capitalization stocks in search of above-average returns.

The Russell Midcap® Index is an unmanaged market capitalization-weighted index of medium-capitalization U.S. company stocks. The S&P MidCap 400 Index is an unmanaged market capitalization-weighted index of 400 medium-capitalization stocks.

DOMESTIC EQUITIES
SMALL GROWTH

Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio Class P Shares**Fund code:** 93098**What it is:** A growth-oriented mutual fund.**Goal:** Seeks long-term capital appreciation by investing primarily in growth-oriented equity securities of small companies.**What it invests in:** Under normal circumstances, at least 80% of the portfolio's assets will be invested in equity securities of small capitalization companies. This fund may invest up to 25% of its net assets in foreign securities, including emerging market securities, as well as up to 10% of its net assets in real estate investment trusts ("REITs"). Investments in smaller companies may involve greater risks than those in larger, more well known companies. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect the fund. A short-term redemption fee of 2% will apply to shares held less than 30 days. Share price and return will vary.**Who might want to invest:**

- Someone who wants to diversify his or her portfolio with an investment in small sized companies.
- Someone who is investing for the long term and who is comfortable with the ups and downs of the overall stock market and the additional risks associated with investing in smaller-sized companies.

Managed by Morgan Stanley Investment Management, Inc., which provided the description for this fund.

INTERNATIONAL/GLOBAL EQUITY

Fidelity Diversified International Fund

Fund code: 00325

What it is: A growth mutual fund that invests internationally.

Goal: Seeks to provide capital growth.

What it invests in: Primarily invests in common stocks of foreign companies. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell your shares after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.

Who might want to invest:

- Someone who wants to complement the performance of U.S. investments with that of investments outside the U.S., which may behave quite differently.
- Someone who is comfortable with the high investment risk and potential rewards involved in investing overseas, as well as with the investment risk involved in any growth mutual fund.

Janus Worldwide Fund

Fund code: 99664

What it is: A growth mutual fund that invests globally.

Goal: Seeks long-term growth of capital in a manner consistent with preservation of capital.

What it invests in: Primarily in common stocks of foreign and domestic companies. The fund has the flexibility to invest on a worldwide basis, in companies and organizations of any size. The fund normally invests in issuers from at least five different countries, which may include the United States; however, under unusual circumstances the fund may at times invest in fewer than five countries or even in a single country. There are additional risks associated with those funds that concentrate their investments in one geographic location. Foreign investments, especially those in emerging markets, involve greater risks and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations. If you sell your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 2% of the value of the shares sold. Share price and return will vary.

Who might want to invest:

- Someone who will be invested in the fund over the long term.
- Someone who wants to complement the performance of U.S. investments with that of investments overseas, which may behave quite differently.
- Someone who is comfortable with the greater risk and potential rewards involved in investing globally.

Managed by Janus Capital, which provided the description for this fund.

Mutual Discovery Fund Class A

Fund code: 93876

What it is: A global growth mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Primarily invests in common and preferred stocks, and debt securities (bonds) of domestic and foreign companies that are believed to be undervalued. Investments may include stocks of smaller companies, and companies involved in mergers, consolidations, liquidations, and reorganizations. The stocks of such companies may have abrupt or erratic price movements. The fund may also invest in lower-rated bonds (often referred to as "junk bonds"), which may involve greater risks. The fund expects to invest approximately 50% of its assets in foreign securities. Foreign investments involve greater risk and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations. Investments in mid-sized companies may involve greater risk than those in larger, better-known companies. There is a short-term trading fee of 2.00% for shares held 7 days or less. Share price and return will vary.

Who might want to invest:

- Someone who will be invested in the fund for the long term (five years or more) and who is willing to ride out short-term stock market changes to try to achieve potentially higher long-term returns.
- Someone seeking capital appreciation.

Managed by Franklin Mutual Advisers, LLC., which provided the description for this fund.

Spartan® International Index Fund Investor Class**Fund code:** 00399**What it is:** An international growth fund.**Goal:** Seeks to provide investment results that correspond to the total returns of foreign stock markets.**What it invests in:** Normally invests at least 80% of its assets in common stocks included in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE® Index), which represents the performance of developed stock markets outside the United States and Canada. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation. If you sell any of your shares after holding them for less than 90 days, the fund will deduct a short-term trading fee from your account equal to 1% of the value of the shares sold. Share price and return will vary.**Who might want to invest:**

- Someone who wants a portfolio of securities that broadly represent a specific market or markets.
- Someone who is willing to ride out stock market fluctuation in pursuit of potentially high long-term returns.

The EAFE Index (Morgan Stanley Capital International Europe, Australasia, Far East Index) is an unmanaged index and includes the reinvestment of dividends. It is designed to represent the performance of developed stock markets outside the United States and Canada. The EAFE is a registered service mark of Morgan Stanley and Co., Inc., and has been licensed for use by FMR LLC. The fund is neither sponsored by nor affiliated with Morgan Stanley.

Templeton Growth Fund, Inc. Class A**Fund code:** 99829**What it is:** A growth mutual fund that invests globally.**Goal:** To increase the value of your investment over the long term through capital growth.**What it invests in:** Mainly in equity securities of companies located in any foreign country, developed or developing, and in the U.S. Depending upon current market conditions, the fund generally invests up to 25% of its assets in debt securities of companies and governments located anywhere in the world. Foreign investments involve greater risk and may offer greater potential returns than U.S. investments. These risks include political, social, and economic uncertainties of foreign countries, reduced liquidity, and the risk of currency and market fluctuations. There is a short-term trading fee of 2% for shares held less than seven days. Share price and return will vary.**Who might want to invest:**

- Someone who wants a fund that seeks growth opportunities not available solely from U.S. investing and who seeks the benefits of international diversification.
- Someone who is investing for the long term and, in return for the benefits of international diversification, is willing to accept the risks involved in international investing, including currency fluctuation and political uncertainty.

Managed by Templeton Global Advisors Limited, which provided the description for this fund.

BrokerageLink

SPECIALTY BROKERAGELINK

Fidelity BrokerageLink®**Fund code:** 99265**What it is:** A brokerage account within your retirement plan. This account is neither a mutual fund nor is it managed by any of the Fidelity Investments group of companies. Brokerage services are provided through Fidelity Brokerage Services LLC, 100 Summer Street Boston, MA, 02110, a member of the New York Stock Exchange and Securities Investor Protection Corporation.**Goal:** To provide a broad range of investment products that allow you to manage your retirement savings more actively.

What it invests in: You alone decide how to invest the assets in your Fidelity BrokerageLink® account. You can invest in most listed stocks, options (if approved for options trading), corporate bonds, zero-coupon bonds, U.S. Treasury securities, mortgage securities and U.S. Government agency bonds, certificates of deposit, unit investment trusts, foreign securities, and other mutual funds (subject to the limitations of your particular plan). If you do not feel comfortable actively managing a portfolio of individual securities, you may find that your plan's standard investment options may be more appropriate for you. There are certain securities in which you cannot invest through your BrokerageLink account; check your BrokerageLink brochure for more information. There are additional fees for investing in a BrokerageLink account. See your plan's fact sheet for details.

Who might want to invest:

- Someone who wants the highest degree of variety in selecting mutual funds investments for his or her retirement savings, and who is familiar with how a brokerage account operates.
- Someone who is comfortable with evaluating and researching a broad universe of mutual funds, and who wants to invest part of his or her retirement savings in mutual funds through a brokerage account.

Any assets distributed from your governmental 457(b) plan will be taxed as ordinary income in the year withdrawn; if you are under age 59 1/2 at the time of the distribution, a 10% early withdrawal penalty may apply to any amounts which were rolled into the plan from an IRA or a plan other than another governmental 457(b) plan. If the distribution is eligible to be rolled over, but is not directly rolled over to an eligible plan or IRA, 20% mandatory withholding of federal income tax applies. Federal income tax will not be withheld if an eligible plan-to-plan transfer is made to another employer's 457(b) plan that accepts the transfer. Be sure you understand the federal and state tax consequences of any distribution before you initiate one. You may want to consult your tax adviser about your situation.

The investment options available through the Plan reserve the right to modify or withdraw the exchange privilege.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing price.

This document provides only a summary of the main features of the Deferred Compensation Plan, and the Plan Document will govern in the event of discrepancies.

Fidelity Management & Research Company manages Fidelity mutual funds.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

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